Leeward

Blockchain Goes Institutional

What is bringing big finance onto blockchain, and what still needs solving.

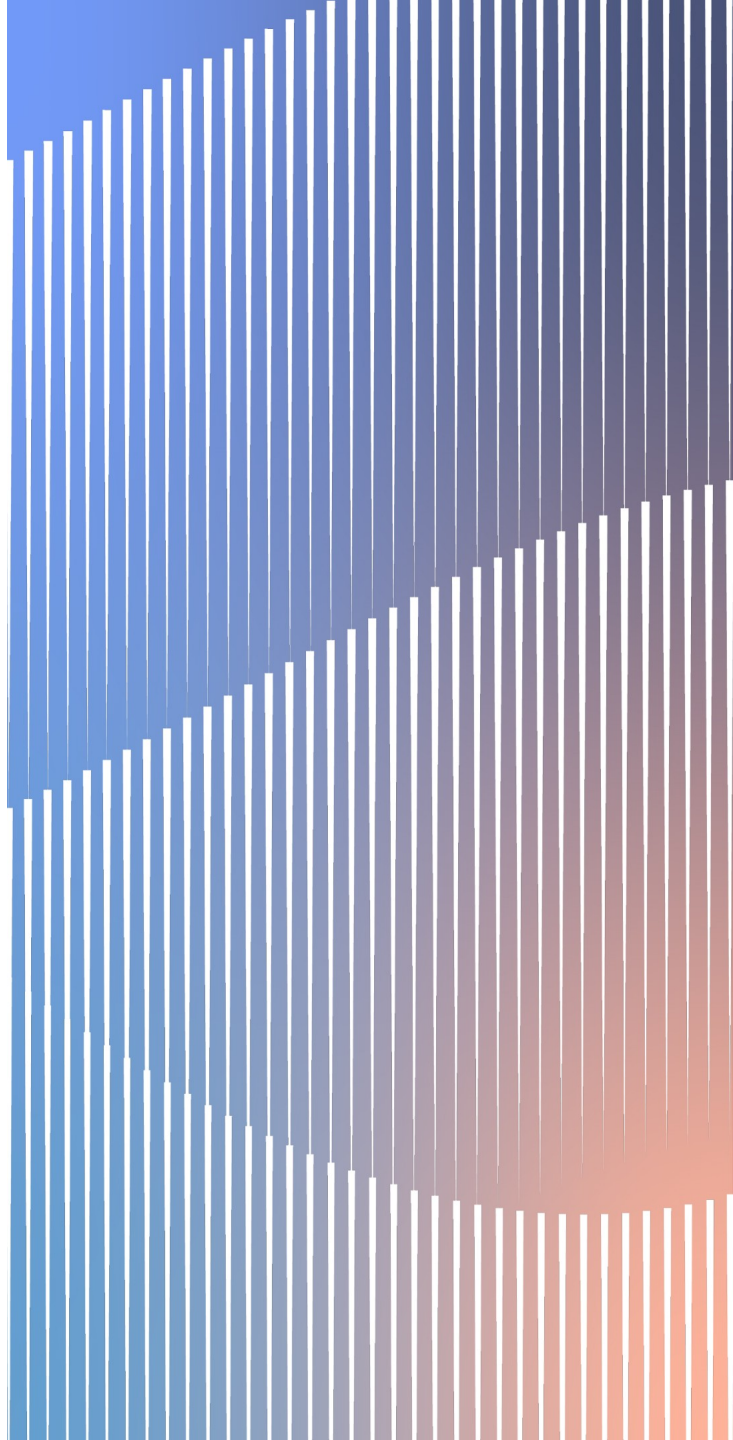
With an appendix of 61 institutional cases

by Ariana Kosyan
Independent Director and Director of AI at Leeward • November 2026



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  61 institutional adoption cases and overviews



Why Blockchain's Time Has Come

WHY THIS PIECE · FROM MY YEARS AS A BIG FOUR BLOCKCHAIN CONSULTANT IN LONDON

<2020 Then

Pilots proved it worked, yet few reached production. Blockchain needs an ecosystem, and it was missing.

2026 Why now: the ecosystem is arriving



Mature technology
Faster, more private, better connected, with institutional custody



Wider understanding
Seen as financial infrastructure, not just bitcoin



Rules catching up
Stablecoin and digital asset laws taking shape in major markets

WHAT THE ECOSYSTEM IS NOW PUTTING TO WORK: THREE BUILDING BLOCKS

Asset Tokenisation

Representing a tangible or intangible asset (a bond, fund share, bank deposit, real estate, various rights etc.) as a digital token on a shared record. Money can be on-chain too: tokenised deposits, regulated stablecoins or central bank money.

Shared Source of Truth

A record kept in sync across a network of computers under agreed rules, so institutions work from one version of events instead of siloed databases. Many networks used by financial institutions are permissioned; public blockchains are used too, often with access limited to approved holders (see appendix for definitions and overview).

Smart Contract Automation

Self-executing code on the shared record that governs how tokens behave, automating transaction logic, transfer restrictions, dividend distribution, compliance controls and other processes.

How Adoption Has Built Up in Recent Years

2020
Wholesale Payments
J.P. Morgan puts JPM Coin into commercial use with its first client and forms its blockchain unit, Onyx (now Kinexys).

2021
On-Chain Pioneer
Franklin Templeton launches the first US-registered fund with a public blockchain as its official record.

2024
Market Catalyst
The US SEC approves spot bitcoin ETFs (Jan); BlackRock launches BUIDL (Mar); Siemens settles a €300m digital bond in minutes (Sep).

DEC 2024–JAN 2025
Policy Shift
EU MiCA rules fully apply (Dec); the US President signs an executive order supporting digital assets (Jan).

JUL 2025
GENIUS Act
The US GENIUS Act creates a formal legislative framework for payment stablecoins, while wider digital asset rules take shape.

JUL–OCT 2026
Scaling Up
Highlights include DTCC's tokenisation service going live, the ECB's Pontes launch, 21 institutions planning a USD stablecoin for H1 2027 and Luxembourg's €1.7bn on-chain sovereign bond.

Technology has matured alongside adoption: faster processing, stronger privacy tools, institutional custody and better connections between networks.

Blockchain Is Entering Routine Financial Operations

Adoption is broad and scaling, though still small relative to traditional finance. Some services already run substantial volumes; others are in pilots or planned launches.

J.P. Morgan Kinexys

~US$7bn

a day on J.P. Morgan's blockchain platform, Aug 2026



Appendix case 2

Broadridge DLR

US$359bn

of repo a day on Broadridge's blockchain platform, Sept 2026



Appendix case 26

Visa stablecoin settlement

US$25bn+

annualised run rate of Visa's stablecoin settlement, Oct 2026



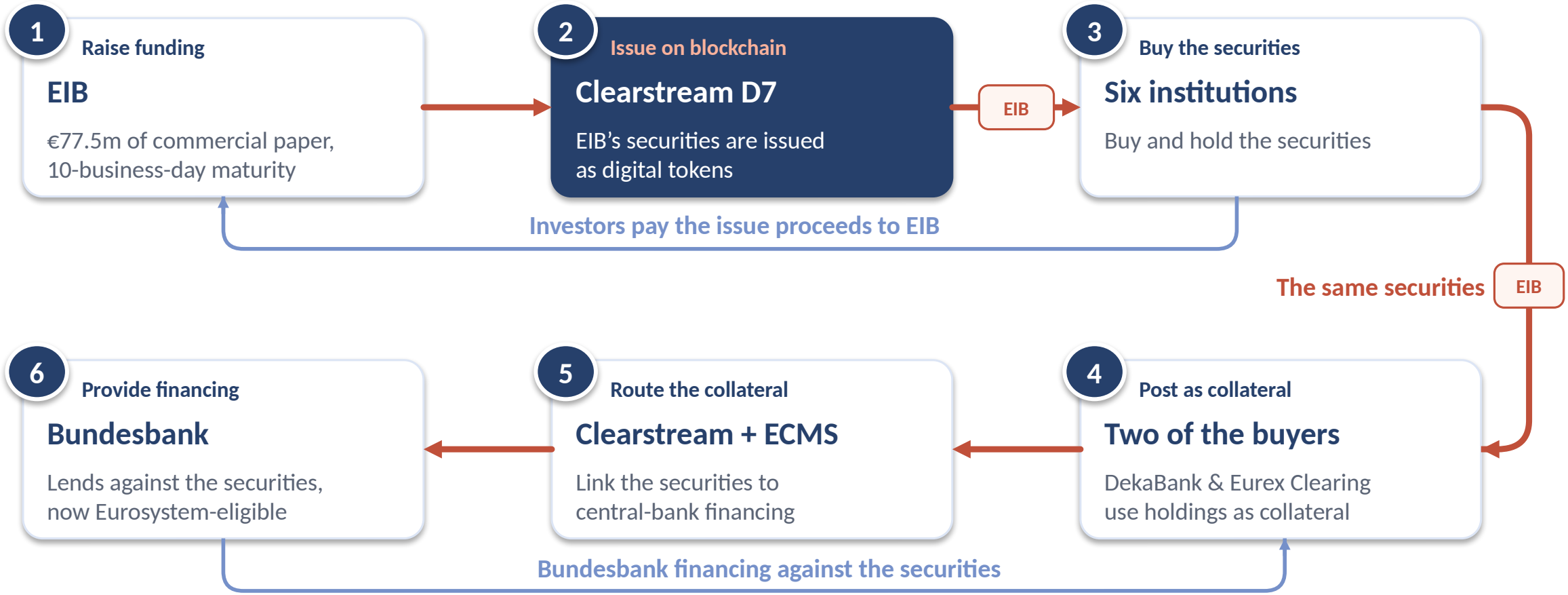
Appendix case 8

Scope: financial institutions, payment networks and payment companies, market infrastructure, central banks, governments and corporate issuers. Crypto exchanges, crypto-native stablecoin issuers and decentralised finance are outside it.

Sources: J.P. Morgan (2024; 28 Apr and 12 Aug 2026) • Broadridge (13 Oct 2025; 10 Nov 2025; 8 Oct 2026) • Visa (16 Dec 2025; 29 Apr 2026 and earnings call, 27 Oct 2026)

How a Tokenised Security Works in Practice

In June 2026 the EIB issued commercial paper with a 10-business-day maturity directly on Clearstream's D7, with Citi as sole dealer and paying agent. Two of the buyers then used it as collateral for Bundesbank financing, after the ECB decided to accept such securities.



Source: Clearstream, 29 June 2026. Appendix case 28.

How Blockchain Can Improve Finance

1 24/7 Cross-Border Transfers

Any hour, across borders

Money moves across time zones and jurisdictions directly between participants, without a chain of correspondent banks.

EXAMPLE

Citi moves client **USD and EUR 24/7** across countries; Partior links banks on one cross-border network.

Cases 1, 7

2 Settlement, Liquidity & Collateral

Capital freed sooner

Asset and payment settle together in minutes, so cash and collateral can be reused, even intraday.

EXAMPLE

Broadridge on-chain repo averaged **US$359bn a day**; EIB paper pledged as Bundesbank collateral.

Cases 26, 28

3 Lower Admin & Overheads

Fewer reconciliations

Smart contracts automate subscriptions, dividends and compliance checks on a shared record.

EXAMPLE

UBS completed on-chain subscription and redemption; Franklin Templeton pays **dividends on-chain daily**.

Cases 39, 48

4 Broader Distribution

Wider access

Small tickets become affordable for investors and economical for issuers to administer, within eligibility rules.

EXAMPLE

OCBC tokenised bonds in **S$1,000 units**, against the usual S$250,000.

Case 50

5 Rails for AI Agents (emerging)

A new kind of user

AI agents can move and manage digital assets within set rules and risk limits.

EXAMPLE

AI agents paid with HSBC tokenised deposits in a test; Mastercard Agent Pay for Machines.

Cases 58, 55

In my view, the combined gains can justify the cost even if no single benefit would.
Seen globally, what one market can do without, another may need most.

Case numbers refer to the Appendix.

Key Limitations and How They Are Mitigated

	THE HURDLE	MITIGATION
1 Cost & Integration	Running new systems alongside legacy architecture adds cost and dual workloads. BNY keeps official fund records while tokens mirror them; Swift's ledger still settles through existing systems (cases 40, 12).	Phased adoption, shared standards and integration tools; institutions prove new systems in parallel and compare full net costs before scaling.
2 Fragmentation	Tokens on separate networks, and deposits held in single-bank systems, cannot easily move between each other, leaving assets, money and collateral siloed while secondary trading is only beginning to develop.	Interbank networks (Swift, Partior, The Clearing House; cases 12, 7, 16), multi-chain set-ups (DTCC, case 25), central bank links (Pontes, case 29) and cross-chain protocols (Chainlink CCIP).
3 Confidentiality & Privacy	Public ledgers expose transaction data and wallet addresses, which can conflict with client confidentiality and bank secrecy rules.	Private permissioned sub-networks, and zero-knowledge proofs (ZKP), which verify information without revealing the underlying data.
4 Legal Certainty & Compliance	Institutions need certainty over the legal rights tokens represent and the rules governing their transfer, alongside effective KYC, AML and sanctions controls.	Clearer laws and regulatory guidance, enforceable legal documentation, and access limited to pre-approved holders, even on public blockchains (case 37).
5 Smart Contract Risks	Vulnerabilities or buggy automated code can execute flawed transfers instantly across deeply integrated networks.	Clear authority, independent code audits, cyber controls, multi-signature custody and tested manual overrides.

Case numbers refer to the Appendix.

Cayman's Role as Finance Moves On-Chain

A leading domicile for funds and digital assets.

1 A leading fund domicile

31,547
regulated funds, September 2026

54%
of qualifying hedge fund net assets reported to the US SEC

30%
of private fund net assets reported to the US SEC

2 A domicile for digital assets

58%
of surveyed crypto hedge funds are domiciled in Cayman

Fidelity International
chose Cayman for its first tokenised fund, FILQ, registered with CIMA in 2026 (case 41)

3 Why Cayman

Legal certainty
Established, stable and reliable laws based on English common law

Outstanding professional community
Serving both the finance and digital asset industries

Innovative and adaptive
A business-friendly environment and an engaged regulator, with laws updated for digital assets and tokenisation

Tax neutrality for investors from many jurisdictions

Well placed to remain the domicile of choice for established funds and the new generation of tokenised and digital asset funds.

Sources: CIMA investment statistics (Q3 2026); SEC Form PF, Q4 2025, Table 3.1; AIMA and PwC 7th Global Crypto Hedge Fund Report (2025), survey of 122 respondents; Maples Group (2025, 2026); Walkers (April 2026).

Why Governance Matters as Blockchain Scales

As more value moves on-chain, strong governance and resilience need to be built in from the outset.

WHY IT MATTERS

CYBER AND OPERATIONAL RISK

Blockchain transactions settle fast and are often irreversible, and digital assets have long been a target for cyberattacks. AI-assisted attacks and autonomous agents add further risks to code, access controls and transaction permissions.

WHERE FAILURES COME FROM

Gaps in oversight and controls can turn technical, legal, compliance or third-party weaknesses into costly failures.

THE BOARD'S ROLE

Boards set risk appetite, authority and limits and, with the right expertise, make sure precautions, testing and incident plans keep pace with the technology.

WHAT EXPERIENCED OVERSIGHT BRINGS

1	**Understanding of the technology and its risks**	What runs on-chain, which record determines ownership, and what new risks does this bring?
2	**Clear rules before systems act**	Who can authorise transactions, within what limits, and are KYC, know-your-agent (KYA) and sanctions controls in place?
3	**Control over who can act**	Who controls keys, permissions, system changes and critical third-party providers?
4	**Testing and independent checks**	Are code, systems and cyber defences regularly tested and monitored, and who independently checks the controls?
5	**Incident response and recovery**	If something goes wrong, how is it escalated, how quickly can losses be stopped, and how is damage recovered?

What This Means for Traditional Finance

Blockchain is quietly becoming part of how finance works: a shift worth watching closely.

1 EVIDENCE

Adoption is tangible

Live deployments already span use cases, market layers and the product lifecycle.

2 BUSINESS CASE

The business case is building

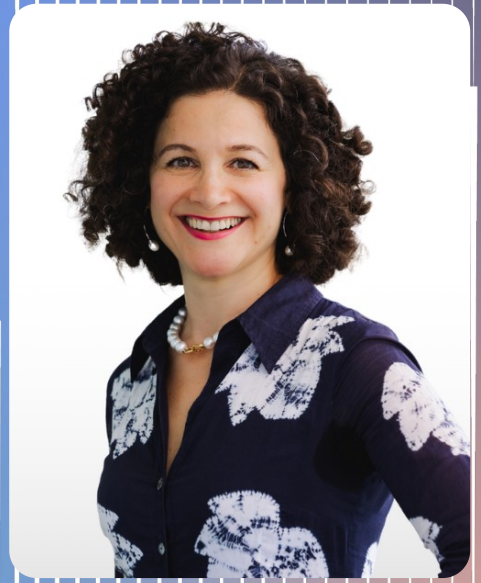
Combined gains in settlement, automation, liquidity and collateral use, with agentic AI an emerging driver.

3 PATH TO SCALE

Scale depends on the right foundations

Including integration and interoperability, privacy, legal certainty and effective governance.

About the Author



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Independent director on boards of Cayman funds, foundation companies and other structures, governance at the intersection of traditional funds, digital assets, blockchain and AI

- Accredited Independent Director
- Director of AI, Leeward
- Speaker on blockchain and AI adoption, convergence and governance
- 20 years in the Big Four: formerly EY UK Tax Blockchain Lead from 2018, Emerging Technologies and Transformation, International Tax and Transfer Pricing
- Led CFA UK Society's Future of Money Working Group (2020–21); CFA UK Technology and Innovation Community Champion (2025); member of the Cayman CFA Society
- Executive programmes in AI (MIT Sloan) and Blockchain Strategy (Oxford Saïd)
- Cross-border career in the UK, Germany, the Czech Republic and the Cayman Islands; five languages

TALK TO ME ABOUT

Cayman structures, governance, blockchain, AI, agentic finance, international tax and transfer pricing

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